

## Exhibit H

From: Downe, William  
Sent: Monday, January 29, 2007 7:02 AM  
To: MAIDMENT, KAREN  
Cc: McGlashan, Bob  
Subject: Re: Potential negative valuation adjustment for Q1 Commodities desk

Karen, I am wondering if we should test for a couple of periods any methodology change we are contemplating before implementing.

Going into production right before a quarter end on something we don't understand seems risky. If we haven't got it right it adds reporting volatility and undermines the continuous improvement mentality we want. It also creates a pattern of expecting an upset of some kind every 90 days which could reflect poorly on our process.

If there is time to back test and compare references to actual experience it could lead to better decision making as well as reporting.

Interested in what you learn. Thanks. Bill

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Sent from my BlackBerry Wireless Handheld

-----Original Message-----

From: MAIDMENT, KAREN  
To: Downe, William  
Sent: Fri Jan 26 16:03:38 2007  
Subject: Fw: Potential negative valuation adjustment for Q1 Commodities desk

This is a surprise to me and doesn't make sense that we would change the method for determining market. I will set up a mtg monday with bob, cally, and peter and see what's up. K

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Sent from my BlackBerry Wireless Device

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----- Original Message -----

From: "McGlashan, Bob" [Robert.McGlashan@bmo.com]  
Sent: 26/01/2007 03:30 PM  
To: Karen Maidment; Downe, William" <William.Downe@bmo.com>  
Cc: Somerville, Penny" <Penny.Somerville@bmo.com>  
Subject: Potential negative valuation adjustment for Q1 Commodities desk

Karen/Bill

As a result of recent access by our Market Risk Unit and the Line to external consensus pricing data to support valuation adjustments of our "Commodities trading positions" (Bob Moore's book, predominantly Natural Gas), we have discovered a potentially significant mark to market negative gap. To date market pricing has been largely provided by a single Broker whose valuations differ from those provided by two service agencies, Totem and ICE. The latter service providers generate prices based on a

consensus of multi contributors. These multi contributor services along with broker prices are used by many of the money center players. Using December price data and positions the potential valuation adjustment could be \$10 to \$50 million.

We have not completed our work as yet but have done enough to be concerned that a material adjustment may be required. Cally Hunt is in the loop, as is Eric Tripp and Yvan. The attached document provides information we have to date. Market Risk is working closely with Eric and Bob Moore to complete the analysis. We will keep you informed as we hopefully reach a conclusion over the next week to 10 days

<<Commodity Val Adj V14.doc>>

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